

12/20/2004

FOR: Distribution
/S/ SAMUEL P. DE BOW, JR.
MEMORANDUM FROM: Rear Admiral Samuel P. De Bow, Jr., NOAA
Director
SUBJECT: Administrative Overhead Fees Charged by the U.S.
Department of Interior for Aviation Services Procurement

As of January 1, 2005, NOAA Marine and Aviation Operations (NMAO) will no longer pay the U.S. Department of Interior administrative overhead fees associated with Line Office use of the "Reimbursable Interagency Agreement between NOAA and the U.S. Department of Interior (DOI), National Business Center, Aviation Management (AM) for Aviation Services Procurement" for charter aircraft.

Tasked by the Under Secretary for Oceans and Atmosphere with developing a safety program for the use of non-NOAA aircraft, NMAO is aligning resources towards that effort. NOAA offices utilizing a DOI AM "Aircraft Rental Agreement" for aircraft services up to \$25,000 per project, will be charged a DOI administrative overhead fee equal to 14% of the actual amount paid to the aircraft vendor for services rendered. There are no changes to the previously established policy requiring NOAA offices utilizing the aircraft contracting services of DOI AM for aviation services in excess of \$25,000, to pay the administrative overhead fees associated with those services at the rates below:

<u>Annual Cost per individual aircraft</u>	<u>Percentage</u>
\$0 - \$250,000	11%
\$250,001 - \$500,000	9%
\$500,001 - \$1,500,000	7%
\$1,500,001 – above	6%

In addition to the fees described above, DOI AM will charge the NOAA office requesting contracting services for reimbursement of any travel or per diem costs incurred for site visits to vendors not currently on the DOI AM Aircraft Source List, or for other travel incurred specifically on behalf of that NOAA office. If you have any questions, please contact your Line Office representative listed on the NOAA Aviation Safety website (<http://www.aviationsafety.noaa.gov>).

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